American Meat Institute

ANNUAL FINANCIAL REVIEW

Of the Meat Packing Industry, 1984

September 1985

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(703) 841-2400
Printed in U.S.A.—September, 1985

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Financial Review of the Meat Packing Industry, 1984

Summary

Total sales of the United States meat packing industry were estimated at $49.48 billion in 1984, up one percent from the revised 1983 sales figure but still below the record sales of $49.50 billion estimated for 1982.

Net earnings after taxes were estimated at $419 million, up six percent from 1983. These higher net earnings were primarily the result of lower taxes during the year.

Industry costs for livestock and raw materials rose during the year on the strength of higher cattle, hog and lamb prices. Total operating expenses, however, declined one percent in 1984, largely because of lower employee wage and benefit costs.

The ratio of net earnings-to-sales averaged 0.85 in 1984, up from 1983 but below the long-run industry average. Industry earnings-to-net worth rose to 10.33 in 1984.

The information in this report is based on a nationwide survey of meat packing companies whose combined annual slaughter in 1984 accounted for 57 percent of the total commercial cattle slaughter and 72 percent of the commercial hog slaughter during the year.

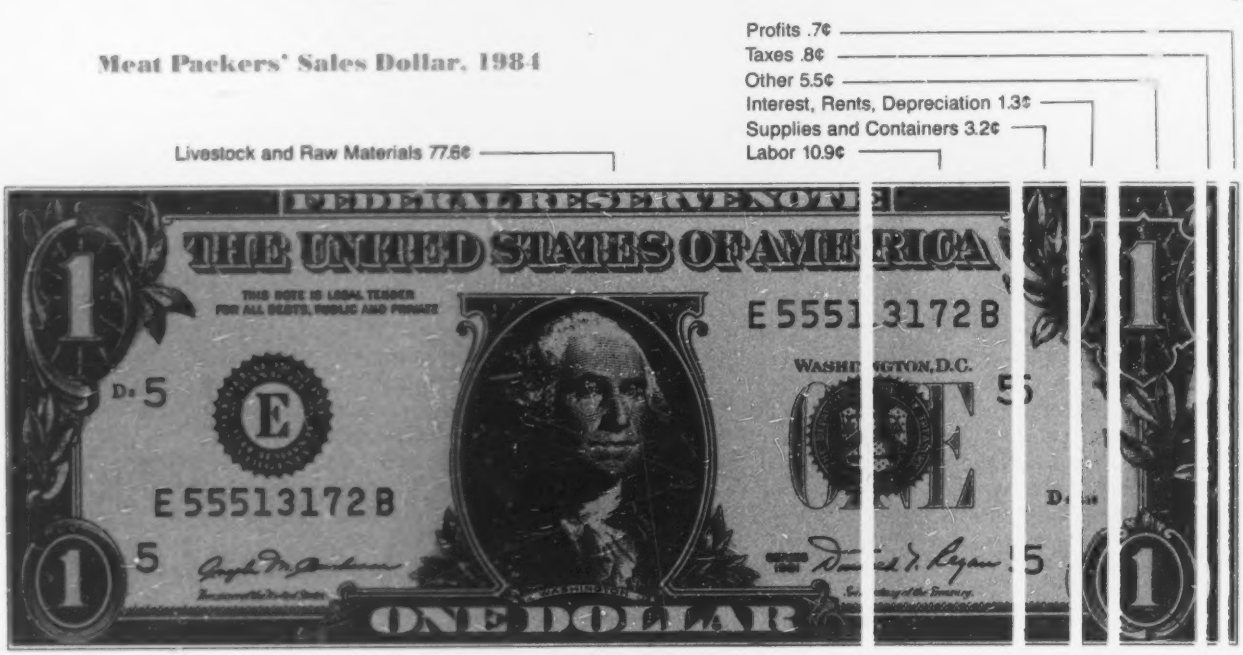
The American Meat Institute has conducted surveys of the industry each year since 1947. Prior to that, and beginning in 1925, the U.S. Department of Agriculture issued annual reports based on meat packers' financial statements filed each year with the government. This year's report is the 60th annual report on the industry and is based on confidential data supplied by 148 companies. Various government and trade reports provided additional information.

Throughout this report companies that slaughter livestock are defined as "meat packers," regardless of whether or not they also process meat and meat products. Companies that do not slaughter livestock, but specialize in the manufacture of processed meats are defined as "meat processors."

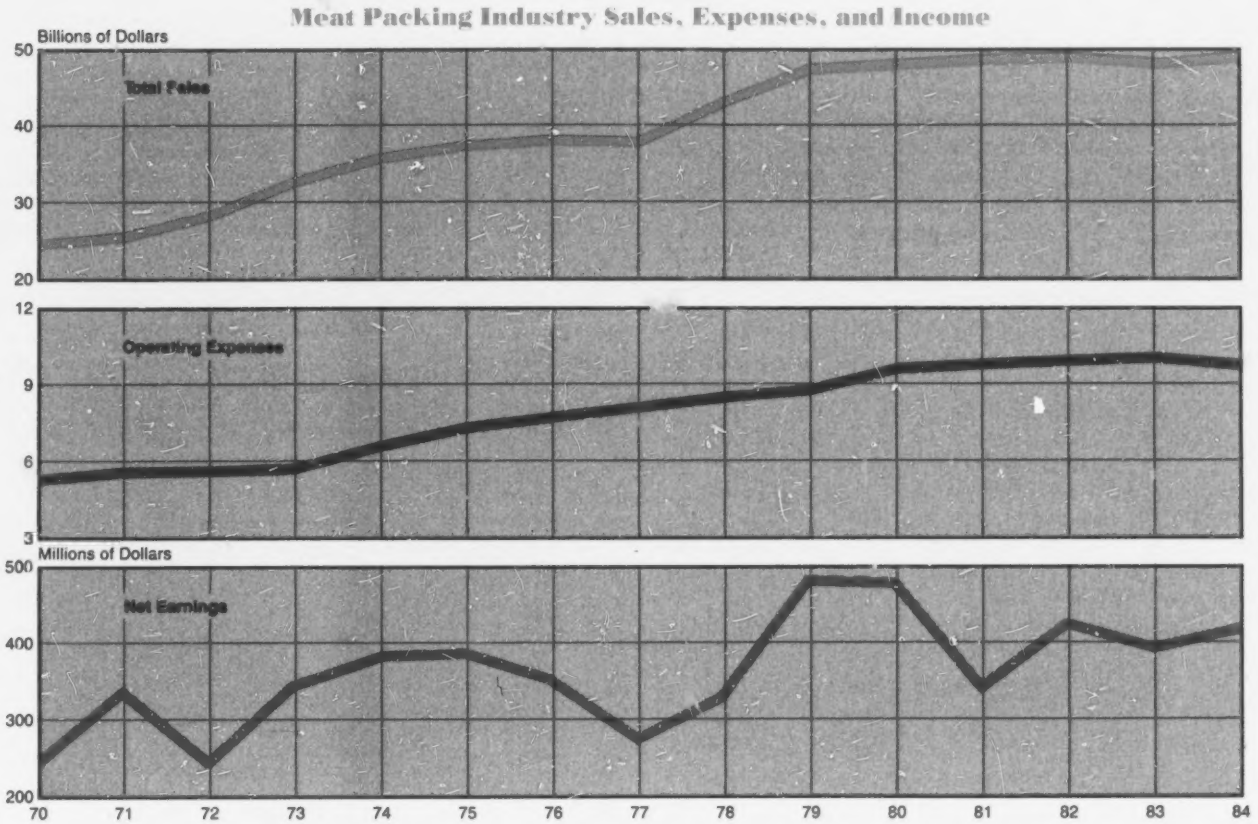
The lack of adequate baseline data makes it difficult to estimate financial figures for the meat processing industry. Preliminary census data for 1982 show the value of shipments by meat processors equal to 27 percent of the value shipped by meat packers, unchanged from the previous estimate in 1977. This suggests a 1984 sales figure for meat processors of approximately $13.5 billion, which may be conservative given the past few years' trend toward increased processing relative to slaughter.

Sales of the meat industry as a whole, both packing and processing, are thus equal to at least $63.5 billion.

Meat Packers' Sales Dollar, 1984



Part I
Financial Status of the Meat Packing Industry in 1984



1984 Sales and Earnings Up Slightly

Total sales of the meat packing industry in 1984 were estimated at $49.48 billion, up one percent from the revised 1983 estimate, but still below the record sales of $49.50 billion estimated for 1982. The 1984 increase in industry sales volume resulted from small increases in both overall industry output and selling prices. The industry produced 39.0 billion pounds of red meat in 1984, up 13 million pounds, or less than one half of one percent, from 1983. Overall wholesale meat prices were also reported up slightly during the year.

Industry costs for livestock and other raw materials were estimated at $39.03 billion, up two percent from the revised 1983 figure. These higher costs were due primarily to higher livestock prices during the year. Prices for cattle and lambs were higher in 1984 than in 1983 despite increased supplies of these species. These seemingly contradictory supply/price relationships reflected an unusual slaughter mix in the cattle sector and strong demand in the lamb sector. Hog prices in 1984 were also above 1983 levels, reflecting a decline in hog availability. Costs for meat supplies other than livestock were estimated to have declined somewhat in 1984.

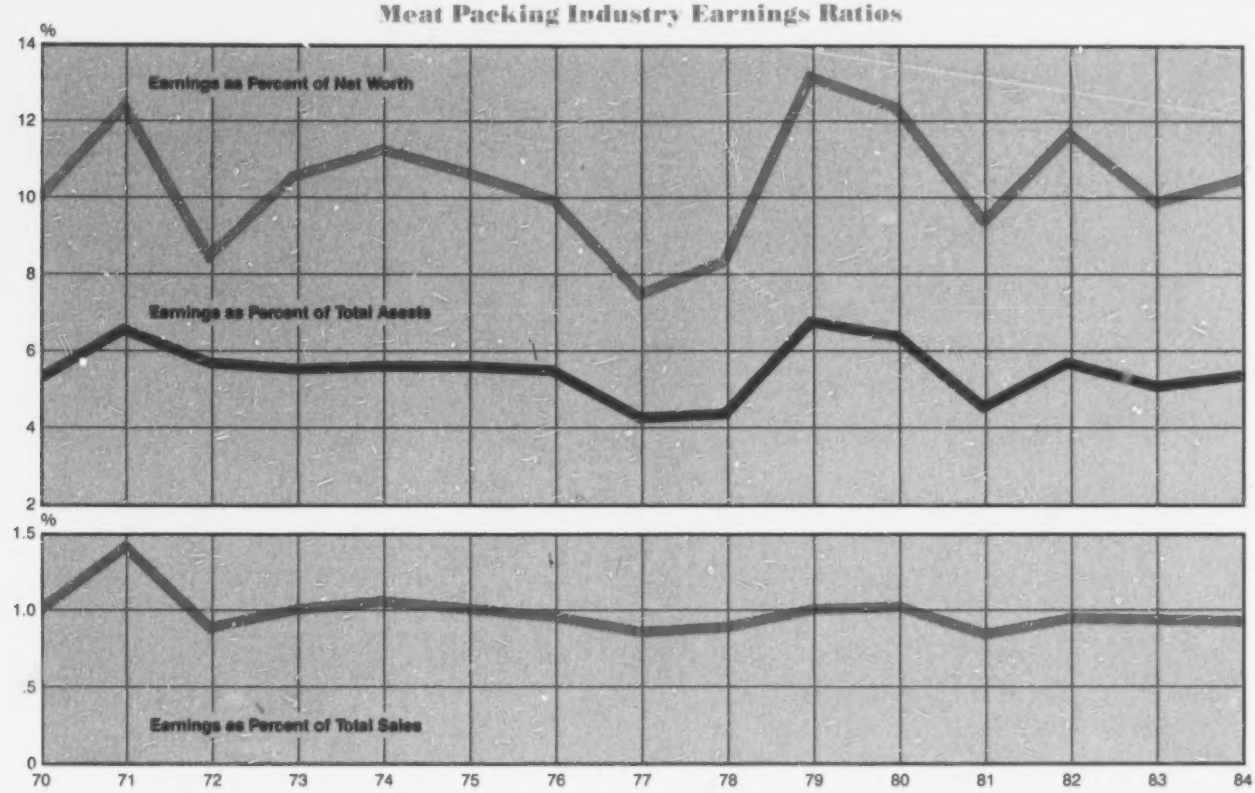
Industry operating expenses declined one percent to $9.72 billion in 1984, primarily because of lower wage and employee benefit costs during the year. The number of industry production workers rose in 1984 for the first time in a decade, but this increase was more than offset by lower wage levels during the year. Similarly, industry costs for employee benefits also declined in 1984.

Interest costs and rents declined in 1984, while expenses for depreciation, supplies and containers rose. Total operating expenses accounted for 19.7 percent of industry sales in 1984, down from 20.0 percent in 1983.

Pre-tax earnings for the meat packing industry were estimated at $727 million in 1984, up one percent from the revised year-earlier figure.

After-tax earnings, however, showed more of an improvement over 1984 levels. The meat packing industry's overall tax rate is higher than those for many other industries, averaging 44 percent of operating profit over the last decade; in recent years it has averaged as high as 46 percent. Tax write-offs and loss carry-forwards associated with industry restructuring contributed to an easing of the industry's tax load in 1984. The industry's tax burden was estimated to have declined five percent to $308 million, equal to 42 percent of operating income. After-tax earnings for the meat packing industry were estimated at $419 million, up six percent from 1983.

A breakdown of sales earnings and expenses since 1973 appears in Table 1-2.



Earnings Ratios

Industry earnings ratios show that most of the upturn in the industry's 1984 bottom line was a function of lower taxes during the year. Pre-tax earnings ratios were in most cases unchanged or only slightly better in 1984 than in 1983. The industry's better performance on an after-tax basis, however, highlights the important role taxes play in determining the industry's financial health.

The meat packing industry's pre-tax return on sales averaged $1.47 per $100 of sales in 1984, unchanged from a year earlier. Return on net worth fell during the year, from 18.07 percent in 1983 to 17.93 percent in 1984, reflecting an increase in net worth greater than that for earnings. Industry earnings per 100 pounds of liveweight slaughtered and 100 pounds of dressed meat produced each increased only marginally in 1984.

After taxes, the meat packing industry realized a return of 0.85 percent on sales, or 85 cents per $100 of sales. While below the historical standard, this was an improvement over 1983. Again, however, this was more a function of lower taxes in 1984 than anything else.

Meat packing's slight uptick in after-tax earnings ratios ran counter to the trend experienced by all food manufacturing industries as a whole in 1984, but was consistent with, albeit less dramatic than, that experienced by most other manufacturing industries. Table A-1 on page 25 compares financial ratios of the meat packing industry with those of other manufacturing industries and highlights meat packing's low return on sales relative to other industries—about one-fourth that of all food manufacturing and less than one-fifth that of all manufacturing.

The low earnings-to-sales ratio for meat packing underscores the importance of sales volume to profitability. The importance of sales volume is also evident in the industry's high ratio of sales to assets—6.34 in 1984 or over 5 times the average for all manufacturing industries.

The meat packing industry's after-tax return on net worth rose to 10.33 percent in 1984, below both the 13.37 percent reported for all food manufacturers and the 12.18 percent average for all manufacturers as a whole. Industry earnings per 100 pounds of dressed meat produced increased to $1.07. This still only represented about one cent per pound.

Industry financial data from 1925 to the present are summarized in Table A-2 at the end of this report.

TABLE 1-1

Financial Ratios of the Meat Packing Industry, 1982–84

Item	1982	1983	1984
Income Before Taxes Per:			
$100 Sales	$ 1.56	$ 1.47	$ 1.47
$100 Assets	10.28	9.14	9.31
$100 Net Worth	21.04	18.07	17.93
100 Lbs. Live Wt.	1.30	1.16	1.17
100 Lbs. Dressed Wt.	2.07	1.85	1.86
Income After Taxes Per:			
$100 Sales	.86	.81	.85
$100 Assets	5.70	5.01	5.37
$100 Net Worth	11.66	9.91	10.33
100 Lbs. Live Wt.	.72	.64	.67
100 Lbs. Dressed Wt.	1.15	1.01	1.07
Sales Per $ of Assets	6.59	6.21	6.34

TABLE 1-2

Sales, Raw Materials Costs, Expenses and Income of the Meat Packing Industry, 1973–1984

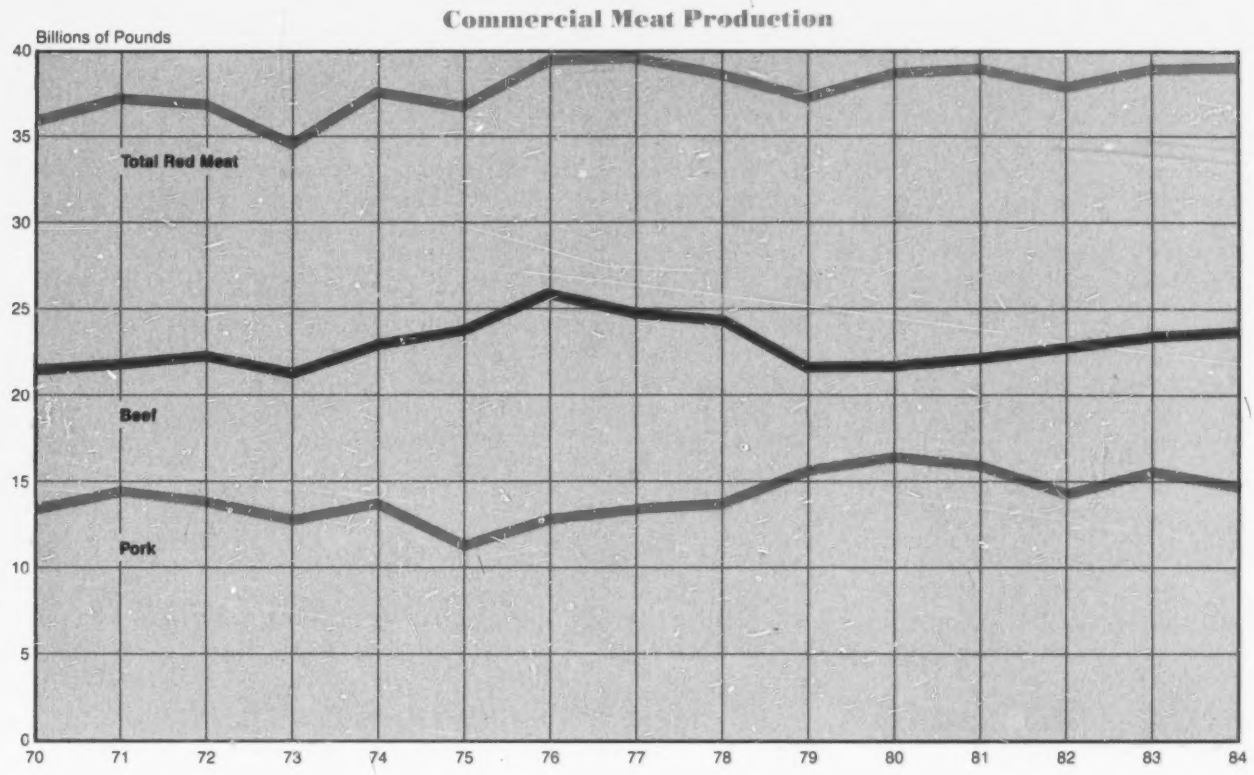
ITEM	MILLION DOLLARS					
	1973	1974	1975	1976	1977	1978
Total Sales	$33,225	$35,500	$36,650	$37,450	$37,275	$43,625
Cost of Livestock and Other Raw Materials	26,935	28,260	28,950	29,475	28,925	34,425
Gross Margin	6,290	7,240	7,700	7,975	8,350	9,200
Operating Expenses						
Wages and Salaries	2,540	2,725	2,830	2,915	3,125	3,465
Employee Benefits:						
Retirement Expense	111	130	146	161	190	207
Payroll Taxes	151	172	179	192	208	242
Insurance & Hospitalization	136	155	178	196	234	264
Vacation, Holiday & Sick Leave	168	184	201	213	230	252
All Other Benefits	40	43	45	47	56	54
Total Benefits	606	684	749	809	918	1,019
Interest	105	141	138	109	112	139
Depreciation	200	214	243	245	268	307
Rents	86	95	103	108	113	129
Taxes*	65	74	78	85	84	93
Supplies & Containers	845	995	1,165	1,210	1,200	1,290
All Other Expenses	1,240	1,645	1,720	1,860	2,030	2,190
Total Operating Expenses	5,687	6,573	7,026	7,341	7,850	8,632
Income Before Taxes	603	667	674	634	500	568
Income Taxes	263	292	294	285	225	235
Net Income	340	375	380	349	275	333
	PERCENT OF TOTAL SALES					
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Livestock and Other Raw Materials	81.1	79.6	79.0	78.7	77.6	78.9
Gross Margin	18.9	20.4	21.0	21.3	22.4	21.1
Operating Expenses						
Wages and Salaries	7.6	7.7	7.7	7.8	8.4	7.9
Employee Benefits:						
Retirement Expense	.3	.4	.4	.4	.5	.5
Payroll Taxes	.5	.5	.5	.5	.6	.6
Insurance & Hospitalization	.4	.4	.5	.5	.6	.6
Vacation, Holiday & Sick Leave	.5	.5	.5	.6	.6	.6
All Other Benefits	.1	.1	.1	.1	.2	.1
Total Benefits	1.8	1.9	2.0	2.1	2.5	2.4
Interest	.3	.4	.4	.3	.3	.3
Depreciation	.6	.6	.7	.7	.7	.7
Rents	.3	.3	.3	.3	.3	.3
Taxes*	.2	.2	.2	.2	.2	.2
Supplies & Containers	2.6	2.8	3.2	3.2	3.2	3.0
All Other Expenses	3.7	4.6	4.7	5.0	5.5	5.0
Total Operating Expenses	17.1	18.5	19.2	19.6	21.1	19.8
Income Before Taxes	1.8	1.9	1.8	1.7	1.3	1.3
Income Taxes	.8	.8	.8	.8	.6	.5
Net Income	1.0	1.1	1.0	.9	.7	.8

TABLE 1-2

Sales, Raw Materials Costs, Expenses and Income of the Meat Packing Industry, 1973–1984 (Cont'd.)

ITEM	MILLION DOLLARS					
	1979	1980	1981	1982	1983	1984
Total Sales	$47,650	$47,925	$48,525	$49,500	$48,950	$49,475
Cost of Livestock and Other Raw Materials	37,850	37,575	38,125	38,950	38,425	39,025
Gross Margin	9,800	10,350	10,400	10,550	10,525	10,450
Operating Expenses						
Wages and Salaries	3,511	3,761	3,795	3,660	3,581	3,495
Employee Benefits:						
Retirement Expense	227	234	216	184	171	123
Payroll Taxes	253	282	287	293	290	283
Insurance & Hospitalization	268	317	370	373	380	367
Vacation, Holiday & Sick Leave	252	268	289	281	251	242
All Other Benefits	48	52	52	54	71	52
Total Benefits	1,048	1,153	1,210	1,185	1,163	1,067
Interest	161	161	168	162	161	151
Depreciation	298	306	316	328	344	357
Rents	106	109	122	1311	157	154
Taxes*	77	77	66	62	67	63
Supplies & Containers	1,444	1,574	1,568	1,570	1,574	1,620
All Other Expenses	2,313	2,387	2,525	2,690	2,758	2,816
Total Operating Expenses	8,958	9,528	9,770	9,778	9,805	9,723
Income Before Taxes	842	822	630	772	720	727
Income Taxes	354	342	287	344	325	308
Net Income	488	480	343	428	395	419
	PERCENT OF TOTAL SALES					
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Livestock and Other Raw Materials	79.4	78.4	78.6	78.7	78.5	78.9
Gross Margin	20.6	21.6	21.4	21.3	21.5	21.1
Operating Expenses						
Wages and Salaries	7.4	7.8	7.8	7.4	7.3	7.1
Employee Benefits:						
Retirement Expense	.5	.5	.4	.4	.4	.3
Payroll Taxes	.5	.6	.6	.6	.6	.6
Insurance & Hospitalization	.6	.7	.8	.7	.8	.7
Vacation, Holiday & Sick Leave	.5	.6	.6	.6	.5	.5
All Other Benefits	.1	.1	.1	.1	.2	.1
Total Benefits	2.2	2.5	2.5	2.4	2.4	2.2
Interest	.3	.3	.3	.3	.3	.3
Depreciation	.6	.6	.6	.6	.7	.7
Rents	.2	.2	.3	.3	.3	.3
Taxes*	.2	.2	.1	.1	.1	.1
Supplies & Containers	3.0	3.3	3.2	3.2	3.2	3.3
All Other Expenses	4.9	5.0	5.2	5.4	5.6	5.7
Total Operating Expenses	18.8	19.9	20.1	19.7	20.0	19.7
Income Before Taxes	1.8	1.7	1.3	1.6	1.5	1.4
Income Taxes	.8	.7	.6	.7	.7	.6
Net Income	1.0	1.0	.7	.9	.8	.8

*Other than Social Security and Income Taxes.



Raw Materials Costs

Livestock and raw material costs rose 2 percent in 1984 to an estimated $39.03 billion, primarily because of higher packer costs for cattle, hogs and lambs. Packer costs for meat supplies other than livestock are estimated to have declined during the year.

TABLE 1-3

Livestock Prices, 1983–84

Item	1983	1984	% Change
	Dollars per Cwt		
Cattle*	$56.14	$57.54	+2%
Calves	61.70	59.90	−3
Lambs	53.90	60.10	+12
Hogs	47.33	48.98	+3

Source: U.S. Department of Agriculture
**Weighted average of steers, heifers, and cows at Omaha*

Cattle slaughter rose for the fifth consecutive year in 1984, up 3 percent to 37.6 million head. Normally, higher slaughter levels are associated with lower prices, but the cattle slaughter mix in 1984 was such that the average price for all cattle during the year was above that of a year earlier. Steer and heifer slaughter declined slightly in 1984 to 28.17 million head and prices for these animals increased about 4 percent. Cow slaughter, however, rose 13 percent to 8.62 million head because of the government's dairy diversion program, but cow prices averaged only about 1 percent lower than in 1983. Higher steer and heifer prices more than offset lower cow prices, with the result that the average price for all cattle—despite increased total supplies—actually rose 2 percent in 1984.

Hog slaughter declined 3 percent in 1984 to 85.17 million head, a drop reflected in hog prices 3 percent higher than in 1983. Sheep and lamb slaughter, at 6.76 million head, was up 2 percent in 1984, but record-low sheep and lamb inventories and strong packer demand kept lamb prices up 12 percent over year-earlier levels. Calf slaughter rose 7 percent to 3.30 million head and calf prices declined 3 percent.

TABLE 1-4

Commercial Meat Production*, 1983–84

Item	1983	1984	% Change
	Billion Pounds		
Beef	23.1	23.4	+2%
Veal	.4	.5	+12
Pork	15.1	14.7	–3
Lamb & Mutton	.4	.4	+1
Total	39.0	39.0	Sm. +

Source: U.S. Department of Agriculture
**Based on packers dressed weight. Pork excludes lard and rendered pork fat. Totals may not add due to rounding.*

Weak prices at both the retail and wholesale levels, characteristic of poor demand in recent years, were further aggravated in 1984 by record-large supplies of all meats. The packing industry produced 38.99 billion pounds of red meat in 1984, up slightly from 1983 and the third highest production on record. These large supplies, in combination with record-large poultry and fish output, kept red meat prices under pressure for most of the year. Government figures indicate average wholesale meat prices rose only fractionally during 1984, with beef and veal prices up 1 percent and pork prices down 1 percent.

TABLE 1-5

Meat Price Indices, 1983–84

Item	1983	1984	% Change
	(1967 = 100)		
Wholesale Meat Prices	267.2	268.1	Sm. +
Beef and Veal	272.3	275.6	+1
Pork	255.8	252.5	–1
Other Meats	266.0	267.1	Sm. +
Retail Meat Prices	236.4	236.8	Sm. +
Beef and Veal	236.3	237.1	Sm. +
Pork	227.5	226.5	Sm. –
Other Meats	250.9	251.3	Sm. +

Source: U.S. Department of Labor

Balance Sheet

The meat packing industry's year-end assets were estimated at $7.81 billion in 1984, down $75 million or one percent from a year earlier. Industry liabilities declined by a larger amount, however, down $145 million, or four percent, to $3.75 billion, resulting in a net improvement in the industry's equity base. Industry net worth was estimated at $4.06 billion, up $70 million, or two percent, from 1983 and the highest industry net worth on record.

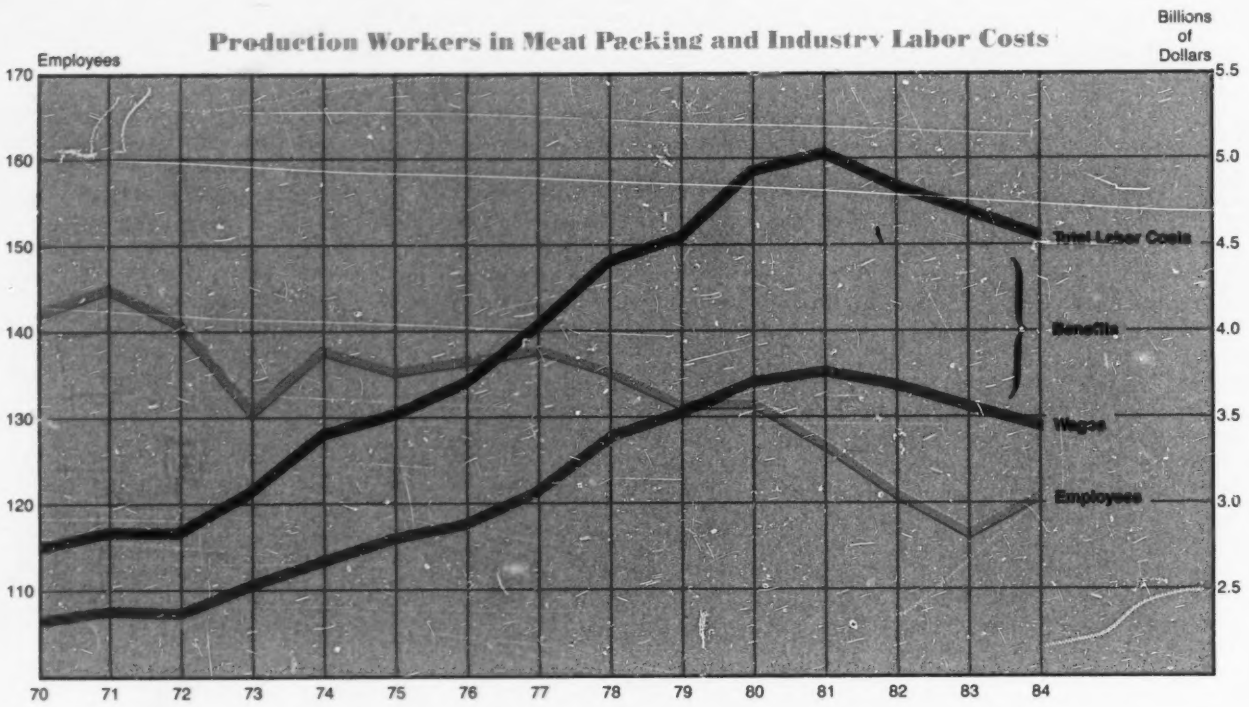
The decline in industry liabilities relative to assets was also evident in the four percent increase in the industry's working capital position, estimated at $1.92 billion at the end of 1984. Industry attempts to improve control of working capital have been reflected in steadily-declining working capital positions since the late 1970's. The reversal of that trend in 1984 was probably a temporary aberration in an otherwise long-term trend, and resulted not so much from a change in industry managment philosophy as from liability draw-downs associated with industry-wide restructuring in general and individual company reorganizations in particular. Cash management remains a priority objective in the meat packing industry and working capital positions will probably resume their downward trend in the years ahead.

TABLE 1-6

Year-End Assets, Liabilities, and Net Worth of the Meat Packing Industry, 1983–84

Item	1983	1984	% Change
	Million Dollars		
Current Assets	4,160	4,135	–1%
Inventories	1,485	1,515	+2
Receivables	2,000	2,070	+4
Other	675	550	–19
Other Assets	3,720	3,670	–1
Total Assets	7,880	7,805	–1
Current Liabilities	2,325	2,220	–5
Other Liabilities	1,570	1,530	–3
Total Liabilities	3,895	3,750	–4
Net Worth	3,985	4,055	+2
Working Capital*	1,835	1,915	+4
Percent Net Worth to Total Assets	50.6%	52.0%	
Ratio of Current Assets to Current Liabilities	1.79	1.86	

**Difference between current assets and current liabilities.*



Employment and Wages

Industry labor costs declined for the third consecutive year in 1984, despite an increase in the number of meat packing employees. The meat packing industry employed 146,700 people in 1984, up two percent from 1983. The number of industry production workers rose by 4,400 to 121,100, the first increase since 1977.

Average hourly earnings in meat packing fell below the year-earlier level for the second consecutive year in 1984. The U.S. Department of Labor reported hourly wages in meat packing averaged $8.17 in 1984, almost five percent below 1983's average.

The trend toward lower wages in meat packing is a relatively recent one. Because labor costs historically account for approximately 50 percent of industry operating expenses, they have served as an incentive for packers to develop and utilize labor-saving technologies which have contributed to a 16 percent reduction in the number of industry employees since 1970. Over the same period, however, labor costs have increased 64 percent.

Labor costs have been increasing for decades, of course, reflecting increases in industry sales and production. Starting in the early 1970's, however, labor costs began to rise dramatically, increasing at a rate well in excess of both industry sales and profits. As the industry entered the 1980's, an era of stagnant sales and below-average earnings, the labor issue moved to the forefront of industry concerns. Disparate labor costs between packers doing business in the same markets had created a situation where a sizeable portion of the industry could no longer compete effectively with newer, lower-cost companies. This situation was further aggravated by a recession-reduced demand for meat and increased competition from other protein sources. Plants were closing, others were reorganizing, unemployment was reaching record levels, and the stage was set for major labor concessions.

Beginning in 1983, average wage levels in meat packing fell below those of a year earlier for the first time since the Depression of the 1930's. They declined again in 1984.

TABLE 1-7

Employment and Earnings, 1983–84

Item	Unit	1983	1984
Meat Packing			
Total Employees	Thous.	143.4	146.7
Production Workers	Thous.	116.7	121.1
Avg. Weekly Earnings	Dollars	$354.35	$334.15
Avg. Weekly Hours	Hours	41.3	40.9
Avg. Hourly Earnings	Dollars	$8.58	$8.17
Meat Processing			
Total Employees	Thous.	72.4	72.7
Production Workers	Thous.	53.8	53.7
Avg. Weekly Earnings	Dollars	$362.80	$353.82
Avg. Weekly Hours	Hours	40.0	39.8
Avg. Hourly Earnings	Dollars	$9.07	$8.89
All Manufacturing			
Total Employees	Thous.	18,434.0	19,412.0
Production Workers	Thous.	12,530.0	13,310.0
Avg. Weekly Earnings	Dollars	$354.08	$373.63
Avg. Weekly Hours	Hours	40.1	40.7
Avg. Hourly Earnings	Dollars	$8.83	$9.18

Source: U.S. Department of Labor

Part II—Financial Data for Participating Companies

The 1984 AMI financial survey includes data from 100 meat packing companies and 48 meat processing companies. Participating packers accounted for 57 percent of the commerical cattle slaughter, 43 percent of the commercial lamb slaughter and 72 percent of the commercial hog slaughter in 1984. Sales of participating packers represented 65 percent of total estimated meat packing industry sales in 1984.

For purposes of this report, meat packing companies are defined as those involved in the slaughter of livestock, regardless of whether they also further process meats and meat products. Meat processing firms are defined as those companies which do not slaughter livestock, but specialize in manufacturing sausage and other processed meat products. These firms procure raw materials from meat packers either directly or through brokers.

For purposes of classification, meat packers are grouped by sales category as follows:

National Packers are those companies with annual sales exceeding $500 million. These companies' products generally are distributed nationwide. This year's survey included 14 national packers, whose sales accounted for 79 percent of the total sales of all participating packers.

Regional Packers are companies with annual sales of $50 million to $500 million. While these companies generally do not distribute their products nationally, many of them have good market coverage in their regions and compete strongly with national packers. This year's survey included 37 regional packers accounting for 19 percent of total participating packer sales.

Local Packers are defined as those companies with annual sales less than $50 million. Firms in this category generally distribute their products in the areas immediately adjacent to their plants. This year's survey included 49 local packers, whose sales accounted for 2 percent of total participating packer sales.

Participants in the financial survey included all sectors of the U.S. meat industry in 1984. While alike in many respects, they also differed from each other in many ways, some significant. Company size, type of operation, plant location and business structure were but a few of the variables affecting the data summarized in the tables in this section. The figures shown in the tables in Part II are averages for all reporting companies. Individual company's figures can and often do vary considerably from these averages.

Business Structure

More than three-fourths of the meat packers and processors participating in the 1984 survey were independently incorporated companies, most held privately. The majority of companies were closely-held, often family-owned concerns with relatively small numbers of stockholders. Only eight of the 100 reporting packers had more than a thousand stockholders and almost 90 percent of the 76,741 stockholders of meat packing companies in the survey were associated with only three companies. Similarly, more than 80 percent of the 1,855 stockholders of meat processing companies were associated with only two companies.

Survey participants also included 31 subsidiaries of conglomerate corporations and 3 cooperatives.

TABLE 2-1

Business Structure of Participants, 1984

Type of Structure	No. of Companies Meat Packers	Meat Processors
Cooperatives	2	1
Subsidiaries	21	10
Independently Incorporated	77	37
Total Companies	100	48
Number of Stockholders	76,741	1,855

TABLE 2-2

Percentage Breakdown of the Sales Dollar by Company Classifications, 1984

Item	Meat Packing Companies				Meat Processing Companies
	National	Regional	Local	Total	
Total Sales	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Livestock and Raw Materials	79.09	79.66	76.23	79.14	60.25
Gross Margin	**20.91**	**20.34**	**23.77**	**20.86**	**39.75**
Operating Expenses					
Wages and Salaries	6.89	6.90	8.96	6.94	12.03
Employee Benefits:					
Retirement Expense	.23	.26	.33	.24	.37
Payroll Taxes	.55	.59	.74	.56	1.05
Insurance & Hospitalization	.76	.72	.76	.75	1.20
Vacation, Holiday & Sick Leave	.37	.40	.30	.37	.80
All Other	.13	.08	.06	.12	.19
Total Benefits	2.04	2.06	2.18	2.05	3.62
Interest	.35	.24	.42	.33	.62
Depreciation	.73	.69	1.03	.73	1.57
Rents	.36	.25	.32	.34	.63
Taxes*	.13	.13	.17	.13	.25
Supplies & Containers	3.40	2.69	3.43	3.26	5.70
All Other Expenses	5.89	5.33	5.07	5.76	9.93
Total Operating Expenses	**19.79**	**18.29**	**21.57**	**19.54**	**34.34**
Income Before Taxes	1.12	2.05	2.21	1.32	5.41
Income Taxes	.45	.88	.90	.54	2.45
Net Income	**.67**	**1.17**	**1.31**	**.78**	**2.96**

**Other than Social Security and Income Taxes.* *Totals may not add due to rounding.*

Sales Dollar Breakdown by Company Size

Participating meat packers in the 1984 financial survey averaged a 78 cent return on every $100 of sales, compared with a $2.96 return for meat processors. Return on sales was highest for local packers and lowest for national packers.

Wage, salary and benefit costs averaged just under 9 percent of sales for national and regional packers, and slightly more than 11 percent for local packers. Labor costs for all packer participants averaged 8.99 percent of sales, compared with 15.65 percent for meat processors. Labor's share of operating expenses averaged 46 percent for both packers and processors in 1984.

Regional packers reported the highest effective tax rate of all packer classifications in 1984—eqivalent to 43 percent of operating earnings—and national packers the lowest—40 percent. The 41 percent average tax rate for all packers compared with a 45 percent rate for meat processors.

TABLE 2-3

Earnings Ratios, 1983–84

Company Classifications	Earnings to Sales 1983	Earnings to Sales 1984	Earnings to Assets 1983	Earnings to Assets 1984	Earnings to Net Worth 1983	Earnings to Net Worth 1984
Meat Packing			Percent			
14 National Packers	.56%	.67%	3.20%	3.99%	6.93%	8.05%
37 Regional Packers	1.17	1.17	8.09	8.16	14.61	15.00
49 Local Packers	1.48	1.32	8.64	6.86	14.89	12.13
100 Company Average	.70	.78	4.10	4.74	8.57	9.38
Percentage Brackets*			Number of Companies			
High Ratios	21	20	22	25	38	32
Medium Ratios	22	17	36	27	43	38
Low Ratios	43	43	27	27	5	11
Loss	10	20	10	20	9	18
Total Packers	96	100	95	99	95	99
Meat Processing			Percent			
48 Meat Processing Co's.	2.65%	2.97%	7.17%	8.40%	10.49%	12.81%
Percentage Brackets*			Number of Companies			
High Ratios	20	19	16	13	17	20
Medium Ratios	9	11	12	16	15	17
Low Ratios	14	11	15	12	11	5
Loss	5	7	5	7	5	6
Total Processors	48	48	48	48	48	48

*Percentage Brackets are defined as follows:
Earnings-to-Sales: High, over 2%; Medium, 1 to 2%; Low, 0 to 1%.
Earnings-to-Assets: High over 10%; Medium, 5 to 10%; Low, 0 to 5%.
Earnings-to-Net Worth: High, over 15%; Medium, 5 to 15% Low, 0 to 5%.

Earnings Ratios

Earnings ratios improved in 1984 for all packer participants as a whole, with the largest improvement in the national packer classification. Earnings ratios for national packers, however, remained well below those for regional and local packers.

Average earnings-to-sales for all packer participants rose from .70 percent in 1983 to .78 percent in 1984; earnings-to-assets increased from 4.10 percent to 4.74 percent; and earnings-to-net worth rose from 8.57 percent to 9.38 percent.

The largest group of participants reported earnings-to-sales of between 0 and 1 percent, characterized in Table 2-3 as a "low" ratio. One-fifth of the packers were in the "high" percentage bracket, reporting earnings-to-sales in excess of 2 percent. When earnings-to-net worth ratios are aggregated into percentage brackets, the largest group of packers fall into the "medium" category, between 5 and 15 percent. The second largest group, representing almost one-third of all respondents, reported "high" returns on net worth, those in excess of 15 percent.

One-fifth of the packer participants reported a loss in 1984.

Meat processors' earnings ratios were, on average, considerably above those of meat packers. Processors' earnings-to-sales rose from 2.65 percent, in 1983, to 2.97 percent, in 1984; their earnings-to-net worth increased from 10.49 percent to 12.81 percent. Fifteen percent of the processing participants operated at a loss in 1984.

Sales by Product Category

Participating packers reported fresh meat sales accounted for approximately three-fourths of their total sales in 1984. Processed meat sales were equivalent to about one-fifth of packers' total sales during the year.

Fresh meat's share of total sales was largest for national packers—almost 80 percent—and smallest for local packers—61 percent. Regional packers attributed about two-thirds of their total sales to fresh meat and about a third to processed meats.

TABLE 2-4

Breakdown of Sales by Product Category, 1984

	Meat Packing Companies National	Regional	Local	Total
No. of Companies	14	37	49	100
	Percent of Sales			
Product Category				
Fresh Meat	78.4%	68.0%	60.7%	76.0%
Processed Meat	18.3	31.2	38.2	21.2
Non-Meat Items	3.3	.8	1.1	2.8
	100.0	100.0	100.0	100.0

TABLE 2-5a

Breakdown of Meat Packers' Sales Dollar by Species Slaughtered, 1983–84

Item	Cattle Packers[1] 1983	Cattle Packers[1] 1984	Hog Packers[1] 1983	Hog Packers[1] 1984
Total Sales	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Cost of Livestock	85.42	85.73	69.63	67.90
Gross Margin	**14.58**	**14.27**	**30.37**	**32.10**
Operating Expenses				
Wages and Salaries	4.97	4.89	11.07	10.80
Employee Benefits:				
Retirement Expense	.13	.12	.68	.42
Payroll Taxes	.40	.41	.82	.85
Insurance & Hospitalization	.49	.48	1.29	1.28
Vacation, Holiday & Sick Leave	.22	.20	.77	.67
All Other	.09	.10	.30	.20
Total	1.33	1.31	3.86	3.42
Interest	.22	.22	.56	.56
Depreciation	.52	.53	1.14	1.21
Rents	.31	.28	.43	.40
Taxes	.09	.09	.16	.20
Supplies & Containers	1.72	1.74	5.27	5.66
All Other	4.29	4.36	6.31	7.54
Total Operating Expenses	**13.45**	**13.43**	**28.79**	**29.79**
Income Before Taxes	1.13	.84	1.58	2.31
Income Taxes	.42	.27	1.00	1.08
Net Income	**.71**	**.57**	**.58**	**1.23**

[1]*Refers to AMI Annual Financial Survey participants whose slaughter of identified species represented at least 75% of their total liveweight slaughter.*

Percentages may not add due to rounding.

TABLE 2-5b

Financial Ratios for Meat Packers Compared With All Manufacturers, 1984

Industry Segment	Earnings as Percent of Sales	Earnings as Percent of Assets	Net Worth	Sales to Assets Ratio
Meat Packing industry	.85%	5.37%	10.33%	6.34
46 Beef Packers	.57	5.08	10.07	8.91
34 Pork Packers	1.23	4.85	9.00	3.92
Total Manufacturing	4.61	5.81	12.18	1.26

Source: American Meat Institute and U.S. Department of Commerce

Sales Dollar by Species

Net income declined for participating cattle packers in 1984, but rose for pork packers.

Cattle packers earned an average 57 cents per $100 of sales in 1984, down from 71 cents a year earlier. Earnings of pork packers more than doubled, however, rising from 58 cents in 1983 to $1.23 per $100 of sales in 1984. The pork packers' average was heavily influenced by large losses incurred by a major pork slaughterer in 1983, but even without this participant's data, the figures for pork packers show an upturn in 1984: Excluding that slaughterer from participant data resulted in 1983 earnings-to-sales of 1.31 percent in 1983 and 1.63 percent in 1984.

TABLE 2-6

Breakdown of Hog Packer's 1984 Sales Dollar By Percent of Fresh Meat Sales

Item	Fresh Meat Sales as % of Total Sales			Total
	Greater Than 67%	34–66%	Less Than 33%	
Number of Companies	6	14	14	34
Average Fresh Meat Sales as % of Total Sales	74%	58%	24%	49%
Total Sales	100.00	100.00	100.00	100.00
Cost of Livestock & Raw Materials	80.97	71.34	57.25	67.90
Gross Margin	19.03	28.66	42.75	32.10
Operating Expenses				
Wages and Salaries	7.37	9.71	13.94	10.80
Employee Benefits:				
Retirement Expense	.39	.41	.44	.42
Payroll Taxes	.66	.81	.99	.85
Insurance & Hospitalization	.63	1.33	1.41	1.28
Vacation, Holiday & Sick Leave	.48	.58	.91	.67
All Other Benefits	.13	.08	.43	.20
Total Benefits	2.29	3.21	4.18	3.42
Interest	.53	.64	.41	.56
Depreciation	.70	1.09	1.60	1.21
Rents	.07	.41	.49	.40
Taxes	.13	.19	.25	.20
Supplies & Containers	3.43	5.54	6.62	5.66
All Other Expenses	3.03	6.88	10.28	7.54
Total Operating Expenses	17.55	27.67	37.76	29.79
Earnings Before Taxes	1.48	.99	4.99	2.31
Income Taxes	.64	.39	2.46	1.08
Net Earnings	.84	.59	2.53	1.23

Percentages may not add due to rounding.

Hog Packer's Sales Dollar by Type of Operation

The breakdown of pork packers' sales dollar varies according to type of operation. Those involved in further processing tend toward wider gross margins, higher labor costs per dollar of sales, and higher earnings relative to sales than do those packers who deal primarily in fresh pork.

Of the 34 survey participants classified as hog packers, 14 reported fresh meat sales representing less than one-third of their total sales. These companies earned better than 2.5 cents per dollar of sales in 1984, a return approximating that of meat processors during the year (see Table 2-2). Pork packers with fresh meat sales accounting for more than two-thirds of total sales earned .8 cents per dollar of sales in 1984, while those reporting fresh meat sales equivalent to between one- and two-thirds of total sales reported an average return of .6 cents per dollar of sales.

TABLE 2-7

Percentage Breakdown of Current Assets, 1984

Item	Meat Packing Companies				Meat Processing Companies
	National	Regional	Local	Total	
No. of Companies	14	36	49	99	48
Inventory	40.1%	34.9%	24.0%	38.6%	42.0%
Receivables	52.1	50.4	35.5	51.2	40.5
Other	7.8	14.7	40.5	10.2	17.5
Total Current Assets	100.0	100.0	100.0	100.0	100.0
Current Assets as % of Total Assets	47.3	59.8	61.2	49.7	43.0

Breakdown of Current Assets

Current assets are those capable of being converted to cash within a relatively short time. They differ among meat companies according to type of operation and company size.

Approximately half of participating packers' total assets were comprised of current assets in 1984. Current assets' share of total assets was smallest for national packers and largest for local packers, increasing inversely with investment in fixed long-term assets. Accounts receivable represented the largest component of national and regional packers' current assets, while the largest component of local packers' current assets was "other" assets, comprised primarily of cash but also including items such as pre-paid expenses, deferred charges, and the cash-surrender value of life insurance. Differences in participant's share of "other" current assets are a function of company size: generally, the smaller a company, the larger its share of "other" current assets relative to total current assets.

Meat processors' current assets averaged 43 percent of total assets during the year, with inventory accounting for a larger share of processors' current assets than of packers'. The difference in inventory shares between packers and processors reflects both the large supplies of raw materials processors typically have on hand and production practices—notably product time in plant—between processors and slaughterers.

Current Ratio

There is no one "perfect" ratio of current assets to current liabilities. Instead, the ratio—which provides a measure of a company's liquidity and flexibility in meeting day-to-day payment obligations—differs according to company size and type of operation. As a rule, the ratio decreases as company size increases, but comparisons between companies or company classifications are not as meaningful as analysis of individual company ratios over time.

The meat packing industry's current ratio has been trending down in recent years as the industry has sought to tighten control of working capital and better utilize short-term cash and convertibles. However, because of liability drawdowns associated with industry restructuring during the year, participating packers' average current ratio rose in 1984 to 1.85, up from 1.72 a year earlier.

TABLE 2-8

Ratio of Current Assets to Current Liabilities, 1983–1984

Company Classifications	1983	1984
Meat Packing	**Ratios**	
14 National Packers	1.68	1.83
36 Regional Packers	1.82	1.78
48 Local Packers	2.70	3.03
98 Company Average	1.72	1.85
Ratio Groups	**No. of Companies**	
Less than 2	42	46
2 to 3	19	17
3 to 4	9	10
4 to 5	8	5
Over 5	17	20
Total Packers	95	98
Meat Processing	**Ratios**	
48 Meat Processing Co's.	2.05	2.01
Ratio Groups	**No. of Companies**	
Less than 2	23	21
2 to 3	10	12
3 to 4	5	5
4 to 5	3	4
Over 5	7	6
Total Processors	48	48

Liabilities to Net Worth

Short- and long-term debt increased relative to owner equity for both regional and local packers in 1984, but declined for national packers. Total packer liabilities averaged 98 cents for every dollar of net worth in 1984, with national packers reporting the largest debt to net worth and local packers the smallest. Liability ratios for meat processors increased in 1984, but remained well below those for meat packers.

TABLE 2-9

Ratio of Liabilities to Net Worth, 1983–84

Company Classifications	1983	1984
Current Liabilities to Net Worth		
Meat Packing		
14 National Packers	.60	.52
36 Regional Packers	.60	.62
48 Local Packers	.36	.36
98 Company Average	.60	.53
Meat Processing		
48 Meat Processing Co's.	.30	.33
Total Liabilities to Net Worth		
Meat Packing		
14 National Packers	1.17	1.02
36 Regional Packers	.81	.84
48 Local Packers	.72	.77
98 Company Average	1.09	.98
Meat Processing		
48 Meat Processing Co's.	.46	.53

Owner Equity

The equity share of participating packers' assets increased in 1984. Net worth accounted for an average 50.5 percent of packers' total assets at the end of the year, up from 47.9 percent in 1983. The largest group of participants had equity shares of less than 40 percent, but more than one-fourth of the packers reported owning more than 70 percent of their capital base. Owner equity was largest for local packers and smallest for national packers. Meat processors' owner equity declined during the year, but, at approximately two-third of assets, remained well above that for packers.

The ratio of fixed assets to net worth measures how much of a company's net worth is accounted for by permanent, depreciable assets. A ratio of less than 1 implies that all fixed assets are owned outright. A declining ratio implies improvement in a company's ownership of its capital base.

The ratio uses non-current assets as a proxy for fixed assets. The ratios are thus overstated to the degree that non-current assets include more than fixed assets. However, it is estimated the degree of overstatement is small.

The ratio of fixed assets to net worth averaged 1.00 for all packers in 1984, down from 1.06 in 1983. Regional packers reported an increase in their ratios and local packers a decline, but both groups had ratios averaging less than 1. The ratio for meat processors averaged .87 in 1984, up from .85 in 1983.

TABLE 2-10

Net Worth as Percent of Total Assets 1983–84

Company Classifications	1983	1984
Meat Packing	**Percent**	
14 National Packers	46.1%	49.5%
36 Regional Packers	55.3	54.4
49 Local Packers	58.1	56.5
99 Company Average	47.9	50.5
Percentage Groups	**No. of Companies**	
Less than 40%	30	37
40 to 50%	19	14
50 to 60%	11	13
60 to 70%	7	8
70 to 80%	8	11
80 to 90%	12	9
Over 90%	8	7
Total Packers	95	99
Meat Processing	**Percent**	
48 Meat Processing Co's.	68.4%	65.6%
Percentage Groups	**No. of Companies**	
Less than 40%	11	12
40 to 50%	5	5
50 to 60%	7	5
60 to 70%	8	10
70 to 80%	9	7
80 to 90%	5	8
Over 90%	3	1
Total Processors	48	48

TABLE 2-11

Ratio of Fixed Assets[1] to Net Worth, 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	1.15	1.06
36 Regional Packers	.72	.74
49 Local Packers	.76	.69
99 Company Average	1.06	1.00
Meat Processing		
48 Meat Processing Co's.	.85	.87

[1]*Non-current assets used as proxy for fixed assets.*

Working Capital Effectiveness

Participating meat packers' working capital supported less sales in 1984 than in 1983. The decline in the all-packer average resulted not so much from lower packer efficiency in utilizing operating funds, however, as from a growth in working capital—attributable to the previously-mentioned liability drawdowns during the year—greater than that for sales.

Packers' ratio of sales to working capital averaged 26.91 in 1984, down from 28.71 a year earlier. That is, every dollar of working capital supported $1.80 less in sales in 1984 than in 1983. The ratio declined for national and local packers and increased for regional packers.

The ratio of sales to working capital varies according to company sales volume. This is apparent within the different company classifications of meat packers and also in the ratio for meat processors, which is typically less than half that for all packers as a whole. A decline in meat processors' working capital relative to sales in 1984 was reflected in the increase in their ratio.

TABLE 2-12

Ratio of Sales to Working Capital, 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	30.08	27.58
36 Regional Packers	26.22	27.79
49 Local Packers	16.72	12.70
99 Company Average	28.71	26.91
Meat Processing		
48 Meat Processing Co's	12.60	13.06

Trading Ratio

The ratio of sales to net worth measures the degree to which a company's sales are supported by invested capital. An increasing ratio implies a company is improving its utilization of invested capital while a declining ratio suggests capital resources in excess of a company's needs. In the short-term, however, a declining ratio may reflect nothing more than a temporary downturn in sales relative to net worth.

The ratio of sales to net worth for participating packers fell from 12.38 in 1983 to 12.13 in 1984. Regional packers, who reported the highest average ratio in both years, were the only packer group reporting higher sales to net worth in 1984. Meat processors' trading ratio also increased in 1984.

TABLE 2-13

Ratio of Sales to Net Worth, 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	12.34	11.96
36 Regional Packers	12.93	13.39
49 Local Packers	10.09	9.22
99 Company Average	12.38	12.13
Meat Processing		
48 Meat Processing Co's.	3.96	4.31

Inventory Turn

The ratio of sales to inventory approximates a company's inventory turnover and merchandising efficiency. While actual physical inventory movement cannot be determined through use of this ratio because of the profit component in inventory valuation and because some inventory will be unsalable, the ratio is useful for comparative purposes.

The ratio of sales to inventory averaged 31.98 for participating packers in 1984, suggesting an inventory turnover every 11 days. The ratios suggest inventory turnover was fastest for local packers and slowest for national packers. Meat processors reported sales to inventory of 15.64 during the year, equivalent to an inventory turn every 23 days.

TABLE 2-14

Ratio of Sales to Inventory, 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	30.17	31.24
36 Regional Packers	36.51	34.92
49 Local Packers	42.70	35.47
99 Company Average	31.43	31.98
Meat Processing		
48 Meat Processing Co's.	15.82	15.64

Sales Turn

The ratio of sales to total assets rose for participating packers in 1984. On average, every dollar of participants' assets generated $6.09 in sales during the year, with the ratio highest for regional packers and lowest for local packers. Local packers were the only packer group showing a decline in sales to total assets in 1984.

Because of the high-volume nature of the industry, measures of sales turnover tend to be higher for meat packing than for other manufacturing industries.

Participants' sales turn relative to fixed assets showed a somewhat stronger increase in 1984 than did sales turn relative to total assets. On average, sales of $12.17 were generated by each dollar invested by participants in fixed assets, up from $11.65 a year earlier. All packer classes reported increases in their ratios of sales to fixed assets, with regional packers reporting the highest ratio and national packers the lowest.

TABLE 2-15a

Ratio of Sales to Total Assets, 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	5.69	5.93
36 Regional Packers	6.93	7.07
49 Local Packers	5.86	5.21
99 Company Average	5.89	6.09
Ratio Groups	**No. of Companies**	
Less than 4	14	17
4 to 5	8	6
5 to 6	16	16
6 to 7	9	14
7 to 8	10	8
8 to 9	7	9
Over 9	31	29
Total Packers	95	99
Meat Processing	**Sales Ratios**	
48 Meat Processing Co's.	2.70	2.82
Ratio Groups	**No. of Companies**	
Less than 4	19	18
4 to 5	12	17
5 to 6	8	5
6 to 7	4	5
7 to 8	3	2
8 to 9	1	1
Over 9	1	0
Total Processors	48	48

TABLE 2-15b

Ratio of Sales to Fixed Assets[1], 1983–84

Company Classifications	1983	1984
Meat Packing		
14 National Packers	10.70	11.24
36 Regional Packers	18.05	18.12
49 Local Packers	13.22	13.42
99 Company Average	11.65	12.17
Meat Processing		
48 Meat Processing Co's.	4.65	4.95

[1]*Non-current assets used as proxy for fixed assets.*

Selling and Administrative Expenses

Selling and administrative expenses increased relative to total operating expenses for national packers and declined for regional and local packers. For all packer participants as a whole, selling and administrative expenses were equal to 16.90 percent of operating expenses in 1984, up from 16.52 percent in 1983. Meat processors reported selling and adminstrative expenses accounted for 30.90 percent of operating expenses during the year, also up from a year earlier.

TABLE 2-16

Total Selling and Administrative Expenses as Percent of Total Operating Expenses, 1983–84

Company Classifications	1983	1984
	Percent	
Meat Packing		
14 National Packers	15.44%	15.96%
35 Regional Packers	21.41	20.91
38 Local Packers	20.02	19.47
87 Company Average	16.52	16.90
Meat Processing		
45 Meat Processing Co's.	30.31	30.90

Advertising Expenses

Advertising's share of operating expenses increased for participating packers in 1984. Participants reported an average 4.69 percent of operating expenses going to advertising, up from 3.89 percent a year earlier. Advertising expenses vary according to the extent product lines are processed, differentiated and branded, so it is not surprising that national packers, many of whom produce processed and branded products, devote a larger percentage of operating expenses to advertising than do other packer groups. Similarly, meat processors also devote a large portion of their operating expenses to advertising.

TABLE 2-17

Total Advertising Expenses as Percent of Total Operating Expenses, 1983–84

Company Classifications	1983	1984
	Percent	
Meat Packing		
14 National Packers	4.10%	4.99%
35 Regional Packers	3.12	3.67
38 Local Packers	2.06	1.70
87 Company Average	3.89	4.69
Meat Processing		
43 Meat Processing Co's.	6.85	9.16

Repairs and Maintenance

Participant expenses on repairs and maintenance rose relative to total operating costs for both packers and processors in 1984. Maintenance costs accounted for a higher share of national packers' operating expenses than for regional and local packers'. The 5.20 percent average share for all packers was well above that for processors. Because operating expenses represent a higher share of processors' sales dollar than of meat packers, however, processors actually spent a higher percentage of their sales dollar on maintenance than did packers.

TABLE 2-18

Total Repairs and Maintenance Expense as Percent of Total Operating Expenses

Company Classifications	1983	1984
	Percent	
Meat Packing		
13 National Packers	5.32%	5.42%
37 Regional Packers	4.22	4.59
46 Local Packers	4.11	3.91
96 Company Average	5.07	5.20
Meat Processing		
48 Meat Processing Co's.	3.37	3.62

Capital Expenditures

Participating packers and processors reported spending less on capital expenditures in 1984 than in the previous year. Capital expenditures for 85 reporting packers totaled $304.2 million, an average of $3.6 million per packer. For 1983, the average was $3.9 million. Capital expenditures averaged $17.5 million for national packers in 1984, $1.9 million for regional packers, and $0.2 million for local packers. Meat processors reported capital expenditures of $42.4 million among 46 firms, an average of $0.9 million per firm.

TABLE 2-19

Capital Expenditures, 1983–84

Company Classifications	Companies Reporting	Million Dollars
Meat Packing	1983	
National Packers	13	$254.2
Regional Packers	35	71.7
Local Packers	37	9.7
Total Packers	85	335.6
	1984	
National Packers	13	$227.4
Regional Packers	36	67.9
Local Packers	36	8.9
Total Packers	85	304.2
Meat Processing	1983	
Total Processors	46	$ 45.0
	1984	
Total Processors	46	$ 42.4

Part III—Wage Rates in Meat Packing

Meat packing is best characterized as a labor-intensive industry. Many of the operations associated with slaughtering an animal and breaking and boning its carcass require human judgment and skills that don't readily lend themselves to automation. While the industry has adopted new machines and techniques to aid in the conversion of livestock to meat, much of the basic process today remains as heavily dependent on labor as it was fifty years ago.

The importance of labor in meat packing is evidenced in comparisons between meat packing and all food processing in general. Meat packing emloyees, for example, account for 9 percent of all employees in the food industry, yet meat packing assets—its capital base—are estimated by AMI to represent only 4 percent of total food industry assets. The disparity in employee and asset shares between meat packing and all food processing underscores meat packing's inability, relative to many other food processing industries, to automate its production process. The share of the industry's work force comprised of production workers provides another indication of the role of labor in meat packing. While production workers represented 69 percent of all employees in food processing in 1984, they accounted for 83 percent of all meat packing employees.

Wage levels in meat packing vary according to job type and skill level, geographic location, type and size of company and degree of unionization. These variations are apparent in tables 3-2 and 3-3, which are derived from a labor survey conducted by the U.S. Department of Labor in June 1984. The earnings data refer only to straight time earnings and are not strictly comparable with the wage series in table 3-1 because of survey and sample differences. Nevertheless, the data that follow provide interesting comparisons.

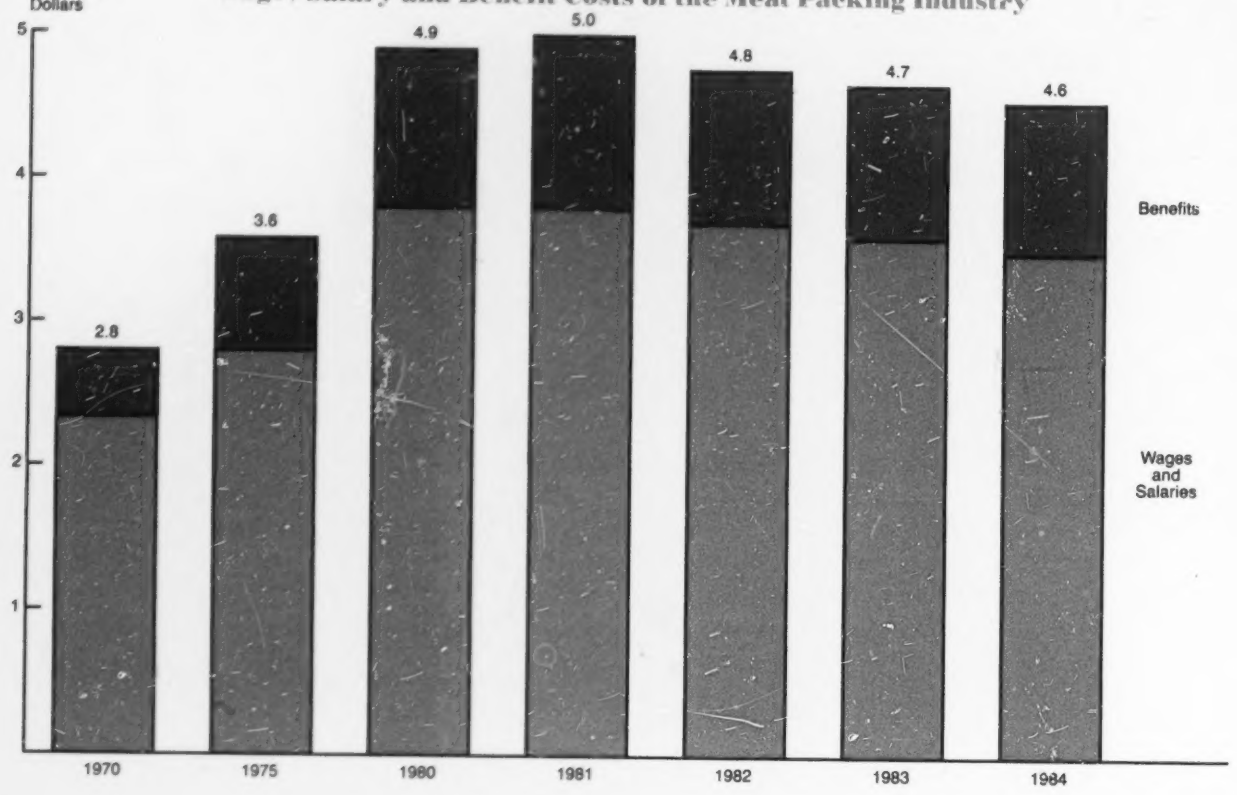
TABLE 3-1

Employment and Earnings in the Meat Industry Compared with the Food Industry

Item	1970	1975	1980	1981	1982	1983	1984
MEAT PACKING							
Total Employees, thousands	181.2	168.2	160.6	155.2	147.3	143.4	146.7
Production Workers, thousands	143.0	135.7	131.3	127.4	120.9	116.7	121.1
Average Weekly Earnings, dollars	$168.33	$234.74	$351.49	$371.36	$371.70	$354.35	$334.15
Average Weekly Hours	42.4	41.4	41.4	41.4	41.3	41.3	40.9
Average Hourly Earnings, dollars	$3.97	$5.67	$8.49	$8.97	$9.00	$8.58	$8.17
MEAT PROCESSING							
Total Employees, thousands	60.3	67.2	70.1	70.9	71.6	72.4	72.7
Production Workers, thousands	43.8	47.3	51.5	52.7	53.0	53.8	53.7
Average Weekly Earnings, dollars	$148.96	$217.62	$317.56	$345.71	$357.75	$362.80	353.82
Average Weekly Hours	40.7	40.6	39.4	39.6	39.4	40.0	39.8
Average Hourly Earnings, dollars	$3.66	$5.36	$8.06	$8.73	$9.08	$9.07	$8.89
ALL FOOD							
Total Employees, thousands	1,781.7	1,857.5	1,708.0	1,671.1	1,635.9	1,614.8	1,618.6
Production Workers, thousands	1,199.3	1,120.3	1,174.6	1,149.5	1,125.6	1,113.7	1,124.0
Average Weekly Earnings, dollars	$127.98	$185.78	$271.95	$295.37	$312.05	$323.51	$333.52
Average Weekly Hours	40.5	40.3	39.7	39.7	39.4	39.5	39.8
Average Hourly Earnings, dollars	$3.16	$4.61	$6.85	$7.44	$7.92	$8.19	$8.38

Source: U.S. Department of Labor

Wage, Salary and Benefit Costs of the Meat Packing Industry



Wages, Salaries, and Benefits as Percentage of Meat Packers' Operating Expenses

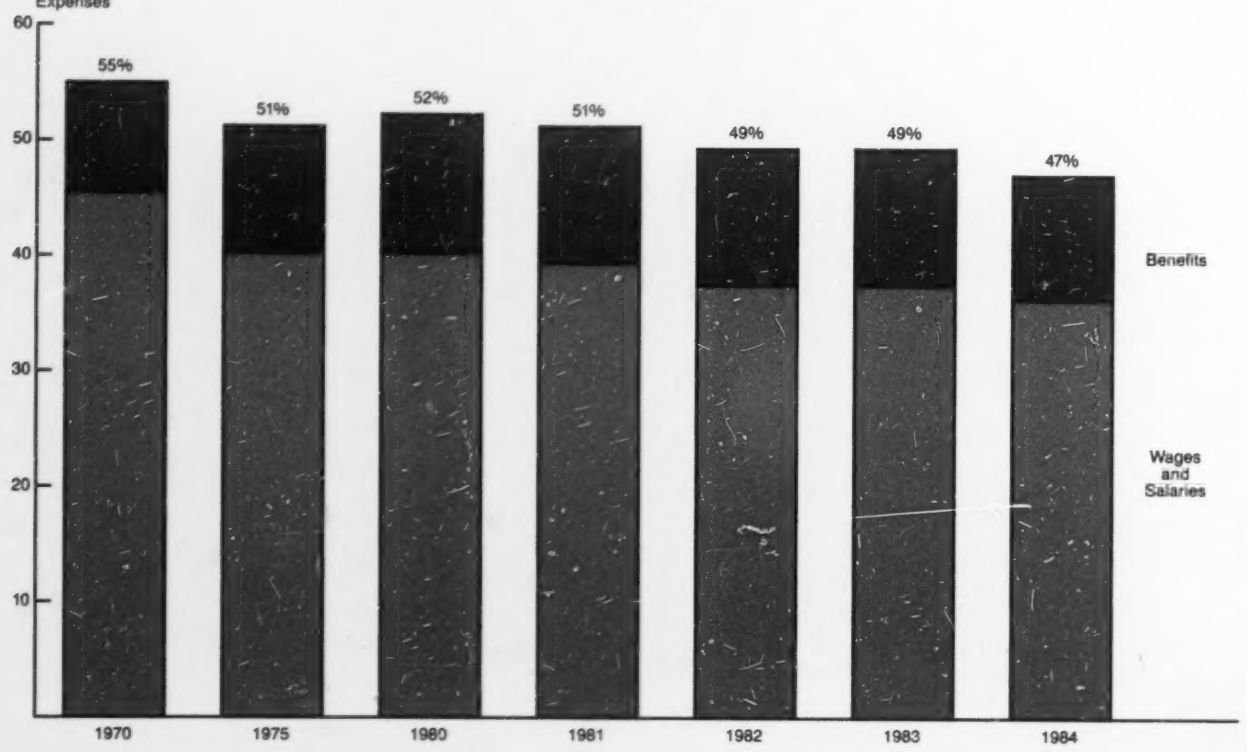


TABLE 3-2

Average Straight-Time Earnings and Percentage Distribution of Production Workers in the Meat Packing and Processing Industries, June 1984

MEAT PACKING—AVERAGE HOURLY EARNINGS[3]

Region[1]	Percent of Production Workers	All Establishments	Type of Company: Multi-plant	Type of Company: Single Plant	Size of Establishment: 50–499 Workers	Size of Establishment: 500+ Workers	Labor Contract: Majority Covered	Labor Contract: Not Covered[2]
Mid West	45%	$8.41	$8.56	$7.41	$7.49	$8.70	$8.91	$7.11
Great Lakes	15	8.31	8.52	7.87	7.90	8.58	8.71	7.20
Southeast	12	6.22	6.75	5.75	6.27	6.17	6.54	5.62
Southwest	9	6.69	7.53	4.91	5.22	7.54	7.47	5.11
Mountain	6	6.97	7.06	6.76	7.53	6.46	N.A.	6.63
Border States	6	6.77	6.85	6.41	6.79	6.76	6.85	6.25
Pacific	5	8.60	8.43	9.21	8.52	N.A.	8.78	7.29
Mid-Atlantic	2	7.87	N.A.	7.85	7.31	N.A.	7.31	N.A.
United States	100	7.80	8.14	6.83	7.16	8.14	8.26	6.67

MEAT PROCESSING—AVERAGE HOURLY EARNINGS[3]

Region[1]	Percent of Production Workers	All Establishments	Type of Company: Multi-plant	Type of Company: Single Plant	Size of Establishment: 20–99 Workers	Size of Establishment: 100+ Workers	Labor Contract: Majority Covered	Labor Contract: Not Covered[2]
Great Lakes	28%	$8.76	$9.53	$7.59	$6.01	$9.24	$9.27	$6.39
Mid West	16	7.15	7.91	6.42	6.33	7.28	8.58	6.10
Southwest	14	6.48	7.21	5.78	5.52	6.71	8.58	5.61
Mid Atlantic	13	8.13	7.17	8.41	7.40	8.46	9.20	6.07
Southeast	10	5.70	6.14	5.23	4.95	6.10	7.02	5.18
Pacific	7	9.03	9.50	8.60	9.17	8.97	9.60	7.64
New England	5	7.73	5.97	8.23	6.49	8.31	8.44	6.62
Border States	4	6.14	6.32	5.98	6.12	6.16	6.53	5.29
Mountain	3	6.88	6.91	6.84	6.23	7.24	7.54	6.35
United States	100	7.61	8.12	7.14	6.44	7.96	8.84	5.94

Source: U.S. Department of Labor, Bureau of Labor Statistics

[1]Mid West—IA, KS, MN, NE, ND, SD; Great Lakes—IL, IN, MI, MN, OH, WI; Southwest—AR, LA, OK, TX; Southeast—AL, FL, GA, MS, NC, SC, TN; Mountain—AZ, CO, ID, MT, NM, UT, WY; Pacific—CA, NV, OR, WA; Mid Atlantic—NJ, NY, PA; New England—CT, ME, MA, NH, RI, VT; Border States—DE, DC, KY, MD, VA, WV.

[2]None or only a minority of workers covered by labor contract.

[3]Excludes overtime.

N.A.—Not Available

TABLE 3-3

Average Straight-Time Earnings in Selected Occupations in the Meat Packing Industry, by Company Type, June 1981

Occupation	U.S. Average	Multi-plant Companies	Single-Plant Companies	Companies With 50–499 Employees	Companies With 500 + Employees
Beef Dressing (slaughter):					
Backers	$7.05	$8.28	$6.27	$6.65	$7.86
Briskets or flank skinners	7.68	8.24	6.86	7.43	8.20
Eviscerators	7.54	8.27	6.63	7.00	8.42
Hide pullers, machine	7.07	7.67	6.48	6.71	7.82
Rumpers	7.39	7.95	6.82	7.05	8.07
Shacklers	7.00	7.61	6.41	6.72	7.68
Splitters, back	7.40	8.34	6.70	6.99	8.46
Stickers	6.98	7.52	6.46	6.62	7.91
Stunners	6.87	7.53	6.26	6.51	7.82
Beef Cutting (except boxed beef):					
Boners, beef	7.70	7.71	7.69	7.98	7.46
Break-up workers	7.11	8.14	6.48	6.52	8.18
Beef Cutting (boxed beef):					
Baggers	7.52	7.88	5.58	5.62	7.90
Boners, boxed beef	7.99	8.12	7.41	8.17	7.93
Saw operators, boxed beef	8.17	8.38	7.49	8.43	8.12
Trimmers, boxed beef	7.41	7.63	6.40	6.53	7.57
Vacuum-packing machine operators	7.19	7.47	6.40	6.20	7.50
Pork Dressing (slaughter):					
Belly openers	8.59	8.75	8.11	8.06	8.95
Eviscerators	8.55	8.78	7.71	8.21	8.76
Headers	8.69	8.96	7.72	8.09	9.17
Shacklers	8.45	8.74	7.78	7.79	8.88
Shavers	8.13	8.47	7.22	7.69	8.33
Splitters, back	8.63	8.90	7.85	8.20	8.97
Stickers	8.49	8.76	7.72	8.22	8.84
Stunners	8.04	8.17	7.75	7.95	8.14
Pork Cutting:					
Belly trimmers	8.14	8.51	7.21	7.50	8.60
Boners, ham	8.55	8.83	7.15	8.06	8.69
Ham skinners, machine	8.56	9.02	7.23	7.41	9.00
Loin pullers	8.89	9.15	8.03	8.13	9.26
Trimmer	8.00	8.02	7.88	7.88	8.06
Curing, smoking, cooking & canning:					
Bacon scalers	8.08	8.14	7.77	7.27	8.19
Casing-peeler operators	7.62	8.12	6.21	6.53	8.13
Cooks, water retort	7.60	9.92	N.A.	N.A.	9.82
Graders, green hams & bellies	7.99	8.14	7.52	7.38	8.24
Hangers, bellies	7.89	8.14	7.22	7.45	8.06
Mixer operators	8.41	8.90	6.90	7.57	8.82
Pickle makers	8.55	8.70	8.05	8.68	8.52
Pumpers, pickle-injection machine	8.16	8.30	7.85	7.96	8.27
Pumpers, ham (artery pumping)	7.92	N.A.	6.63	7.37	N.A.
Sausage makers (chopper)	7.60	8.36	6.18	7.16	8.40
Slicing-machine operators	8.47	8.79	7.26	8.05	8.61
Smokers	8.62	9.37	7.23	7.55	9.26
Spice weighers & mixers	7.82	8.45	5.88	7.07	8.28
Stuffers, frankfurters	7.80	8.12	7.12	7.21	8.07
Stuffers, sausage	7.86	8.87	5.95	6.84	8.99
Other workers:					
Maintenance workers, gen. utility	8.85	9.23	7.19	7.90	9.41
Cleaners, night	7.76	8.39	6.28	6.80	8.49
Luggers	7.06	7.73	6.10	6.75	7.72
Power truck operators	8.45	8.67	7.25	7.38	8.68
Shipping packer	7.25	7.76	5.95	6.52	7.69
Truckdrivers	8.08	9.01	7.63	7.79	8.87

Source: U.S. Department of Labor, Bureau of Labor Statistics

N.A.—Not Available

TABLE 3-4

Benefit	All Companies	Multi-plant Companies	Single Plant Companies
	Percent of Production Workers With Specified Benefits		
Insurance			
Life	99%	100%	96%
Noncontributory	87	89	81
Accidental Death & Dismemberment	69	65	79
Noncontributory	65	63	70
Sickness & Accident	75	82	57
Noncontributory	60	65	47
Long-term Disability	4	5	2
Noncontributory	4	4	2
Hospitalization	100	100	100
Noncontributory	91	96	76
Medical	99	98	100
Noncontributory	91	96	76
Major Medical	100	100	99
Noncontributory	91	96	76
Dental	65	68	57
Noncontributory	60	64	50
Vision Care	48	51	38
Noncontributory	43	45	37
Prescription Drugs	55	52	62
Noncontributory	50	48	56
Retirement			
Pension Plan	67	68	64
Noncontributory	67	68	63
Severance Pay	5	5	4
Technological Severance Pay	22	24	17
Other			
Funeral Leave	89	96	68
Jury-Duty Leave	88	95	66
Clothes-Changing Time Pay	34	32	39
Clothing Allowance	78	79	73
Cost of Living Adjustment	29	32	20
Automatic Adjustment	1	*	4
Lump Sum Payment	3	3	1

Source: U.S. Department of Labor, Bureau of Labor Statistics

**Less than 0.5 percent*

TABLE A-1

Financial Ratios for Manufacturing Industries, 1983–84

Industries	Earnings as % of Sales		Earnings as % of Assets		Earnings as % of Net Worth		Sales to Assets Ratio		Net Worth as % of Total Assets	
Durable Goods	**1983**	**1984**	**1983**	**1984**	**1983**	**1984**	**1983**	**1984**	**1983**	**1984**
Motor Vehicles & Equipment	4.94%	6.21%	8.29%	10.77%	17.86%	23.11%	1.68	1.73	46.43%	46.59%
Aircraft, Missiles & Parts	3.77	4.10	4.37	4.54	13.18	13.67	1.16	1.11	33.13	33.23
Other Transportation Equipment	.78	2.66	.67	3.15	2.57	14.38	.86	1.18	26.18	21.89
Electrical & Electronic Equipment	3.85	4.36	4.58	5.40	9.61	11.19	1.19	1.24	47.64	48.24
Machinery, Except Electrical	4.40	5.84	4.23	6.32	7.88	11.63	.96	1.08	53.75	54.29
Fabricated Metal Products	2.65	3.85	3.87	5.91	8.13	12.49	1.46	1.53	47.63	47.31
Iron and Steel	(5.89)	(.71)	(6.18)	(.89)	(18.65)	(2.73)	1.05	1.26	33.14	32.56
Nonferrous Metals	(.40)	(.20)	(.39)	(.21)	(.87)	(.47)	.98	1.06	44.85	45.65
Stone, Clay & Glass Products	2.52	3.68	3.00	4.55	6.11	9.27	1.19	1.23	49.07	49.06
Instruments & Related Products	6.95	6.98	7.41	7.40	11.47	12.23	1.07	1.06	64.54	60.54
Other Durable Manufacturing	2.77	3.31	4.43	5.60	9.60	12.13	1.60	1.70	46.13	46.22
Total Durable Goods	3.14	4.41	3.77	5.68	8.01	12.02	1.20	1.29	47.07	47.25
Nondurable Goods										
Food and Kindred Products	3.28	3.25	6.14	5.76	12.54	13.37	1.87	1.77	48.94	43.05
Tobacco Manufacturers	12.12	11.96	9.87	11.22	17.85	20.57	.81	.94	55.33	54.54
Textile Mill Products	3.37	3.17	6.01	5.37	11.45	11.12	1.79	1.70	52.48	48.33
Paper & Allied Products	3.54	4.19	4.16	5.15	8.50	10.71	1.18	1.23	49.01	48.12
Printing and Publishing	5.86	6.04	7.96	8.50	16.65	17.82	1.36	1.41	47.79	47.69
Drugs	13.41	13.31	11.58	11.58	19.87	19.87	.86	.87	58.26	58.28
Industrial Chemicals & Synthetics	3.73	5.41	3.86	5.67	7.88	11.41	1.02	1.05	48.99	49.70
Other Chemicals & Allied Products	5.53	5.53	6.87	6.98	13.15	13.48	1.24	1.26	52.22	51.75
Petroleum & Coal Products	5.88	5.07	6.19	4.63	11.97	9.63	1.05	.91	51.73	46.06
Rubber & Misc. Plastic Products	3.59	3.78	5.77	6.20	11.54	13.19	1.61	1.64	49.98	46.98
Other Nondurable Manufacturing	2.87	2.75	5.69	5.47	11.38	11.73	1.98	1.99	49.99	46.60
Total Nondurable Goods	4.86	4.79	6.26	5.92	12.32	12.33	1.29	1.24	50.80	48.04
Total Manufacturing	**4.06**	**4.61**	**5.07**	**5.81**	**10.33**	**12.18**	**1.25**	**1.26**	**49.01**	**47.67**
MEAT PACKING INDUSTRY	81	.85	5.01	5.37	9.91	10.33	6.21	6.34	50.57	51.95

Source: Figures for meat packing industry are AMI estimates. All other figures are calculated from reports of the Economic Surveys Division, Bureau of the Census, U.S. Dept. of Commerce.

TABLE A-2

Financial Results of the Meat Packing Industry: 1925–1984 Summary

Year	Million Dollars Total Sales	Million Dollars Net Worth*	Million Dollars Net Income	Income % of Total Sales	Income % of Net Worth	Income per 100 lbs** Live Weight	Income per 100 lbs** Dressed Weight
P&S Series							
1925	$ 3,465	$ 824	$ 47	1.4%	5.7%	20¢	31¢
1930	3,628	887	32	.9	3.7	14	21
1935	2,785	697	37	1.3	5.4	18	30
1940	3,158	721	42	1.3	5.8	15	24
1941	4,066	746	65	1.6	8.7	22	35
1942	5,781	779	67	1.2	8.6	20	32
1943	6,181	783	72	1.2	9.2	21	33
1944	6,400	801	71	1.1	8.9	18	29
1945	5,739	916	51	.9	5.6	15	25
1946	6,138	944	143	2.3	15.2	46	75
1947	9,425	938	148	1.6	15.8	45	74
AMI Series (A)							
1947	9,900	1,000	152	1.5	15.2	45	74
1948	10,500	1,075	96	.9	8.9	31	50
1949	9,900	1,125	61	.6	5.4	19	30
1950	10,050	1,225	89	.9	7.3	28	43
1951	12,150	1,300	84	.7	6.5	26	40
1952	11,675	1,275	52	.5	4.1	15	24
1953	11,175	1,300	86	.8	6.6	24	37
1954	11,275	1,300	48	.4	3.7	13	20
1955	11,075	1,350	105	.9	7.8	26	42
1956	11,275	1,425	113	1.0	7.9	26	41
1957	12,025	1,450	79	.7	5.4	19	30
1958	12,925	1,500	77	.6	5.1	20	31
1959	13,275	1,600	136	1.0	8.5	34	52
1960	13,225	1,650	110	.8	6.7	26	40
1961	13,500	1,675	84	.6	5.0	20	30
1962	13,975	1,675	112	.8	6.7	26	40
1963	14,125	1,725	117	.8	6.8	26	40
AMI series (B)							
1963	15,325	1,875	129	.9	6.9	25	44
1964	15,900	1,900	182	1.2	9.6	33	57
1965	17,125	2,050	142	.8	6.9	27	46
1966	19,500	2,050	134	.7	6.5	24	42
1967	19,825	2,175	200	1.0	9.2	35	59
1968	20,750	2,150	185	.9	8.6	32	53
1969	23,125	2,325	205	.9	8.8	35	59
1970	24,400	2,450	244	1.0	10.0	41	68
1971	24,725	2,725	334	1.4	12.3	55	89
1972	27,800	2,850	235	.8	8.2	40	64
1973	33,225	3,225	340	1.0	10.5	62	99
1974	35,500	3,375	375	1.1	11.1	63	100
1975	36,650	3,575	380	1.0	10.6	64	105
1976	37,450	3,550	349	.9	9.8	55	89
1977	37,275	3,700	275	.7	7.4	43	70
1978	43,625	4,025	333	.8	8.3	54	87
1979	47,650	3,675	488	1.0	13.3	83	131
1980	47,925	3,950	480	1.0	12.2	79	124
1981	48,525	3,700	343	.7	9.3	56	89
1982	49,500	3,670	428	.9	11.7	72	115
1983	48,950	3,985	395	.8	9.9	64	101
1984	49,475	4,055	419	.8	10.3	67	107
1925–47 Average	4,022	797	46	1.1	5.7	17	27
1947–63 Average	11,884	1,391	94	.8	6.8	25	39
1965–84 Average	34,650	3,163	314	.9	9.9	53	86
1975–84 Average	44,703	3,789	389	.9	10.3	64	102

Source: The 1925–47 P&S Series represents summary reports by the USDA compiled from financial statements of meat packing companies filed with the Packers and Stockyards Administration. These figures have not been available since 1947.

The 1947–63 figures (AMI Series (A)) are AMI estimates, based on Census of Manufacturers reports for Meat Packing, published by the Bureau of the Census.

The 1963-to-date figures (AMI) Series (B) are AMI estimates based on USDA's annual reports on commercial slaughter and meat production.

**P&S Series for net worth is an average for beginning and end of year. The two AMI Series are for year-end.*

***Figures are overstated by the amount of earnings derived from non-meat operations.*

TABLE A-3

Meat Animals Processed by the Meat Packing Industry, 1925–84

Year	Slaughter (1000 Head)				Live Weight (Mil. Lbs.)					Dressed Weight (Mil. Lbs.)				
	Cattle	Calves	Sheep & Lambs	Hogs	Cattle	Calves	Sheep & Lambs	Hogs	Total	Cattle	Calves	Sheep & Lambs	Hogs[1]	Total
USDA														
1925	11,440	6,488	13,971	48,182	10,799	1,147	1,135	10,729	23,810	5,686	659	543	8,110	14,998
1930	10,004	5,630	19,318	50,657	9,433	989	1,585	11,511	23,518	5,140	566	751	8,706	15,163
1935	12,334	7,256	20,179	29,919	11,051	1,381	1,698	6,672	20,802	5,754	776	801	4,994	12,325
1940	12,552	6,815	19,915	59,255	11,609	1,310	1,711	13,520	28,150	6,308	728	806	10,086	17,928
1941	13,886	6,890	20,626	54,627	13,133	1,358	1,815	12,925	29,231	7,186	761	853	9,756	18,556
1942	15,356	7,369	23,907	61,153	14,428	1,540	2,124	14,789	32,881	7,799	860	973	11,129	20,761
AMI														
1943	14,200	6,950	25,050	69,300	13,260	1,425	2,255	17,490	34,430	7,060	795	1,020	13,165	22,040
1944	16,600	9,950	24,200	83,000	15,160	2,140	2,150	19,395	38,845	7,860	1,180	975	14,605	24,620
1945	17,650	10,150	23,100	48,850	16,280	2,215	2,155	12,430	33,080	8,510	1,215	980	9,390	20,095
1946	14,900	8,700	21,750	49,950	13,815	1,810	2,050	12,725	30,400	7,250	1,000	930	9,550	18,730
1947	18,300	10,200	17,250	51,700	16,645	2,140	1,610	13,100	33,495	8,710	1,175	745	9,905	20,535
1948	15,850	9,450	16,200	51,650	14,585	1,945	1,520	12,860	30,910	7,600	1,070	695	9,735	19,100
1949	15,600	8,450	13,400	55,800	14,890	1,760	1,255	13,790	31,695	8,020	970	590	10,490	20,070
1950	15,250	7,750	12,550	60,950	14,730	1,615	1,200	14,760	32,305	7,975	895	570	11,190	20,630
1951	14,150	6,550	10,750	66,750	13,825	1,355	1,045	16,300	32,525	7,510	755	490	12,260	21,015
1952	15,050	6,400	12,850	68,950	14,670	1,395	1,250	16,560	33,785	8,035	775	590	12,480	21,980
1953	19,500	8,350	15,150	61,900	18,610	1,885	1,440	14,655	36,590	10,190	1,050	680	11,155	23,075
1954	21,650	9,250	15,350	57,050	20,350	2,065	1,460	13,745	37,620	11,085	1,140	695	10,510	23,430
1955	22,300	9,000	15,550	64,650	21,200	1,960	1,495	15,535	40,190	11,580	1,080	715	11,890	25,265
1956	23,450	9,050	15,550	73,150	22,755	2,025	1,485	17,110	43,375	12,530	1,115	710	13,005	27,360
1957	23,700	8,600	14,650	66,700	22,950	1,875	1,410	15,620	41,855	12,645	1,045	680	11,890	26,260
1958	21,300	6,700	13,550	63,800	21,110	1,405	1,330	15,035	38,880	11,770	780	645	11,495	24,690
1959	20,100	5,450	14,200	71,700	20,655	1,140	1,400	17,095	40,290	11,770	645	680	13,090	26,185
1960	22,150	5,750	15,000	73,950	22,525	1,230	1,480	17,530	42,765	12,845	695	710	13,390	27,640
1961	22,650	5,506	16,050	70,800	23,270	1,175	1,580	16,935	42,960	13,355	660	765	12,940	27,720
1962	33,000	5,450	15,700	73,360	23,405	1,140	1,530	17,655	43,730	13,390	640	740	13,530	28,300
1963	23,750	4,950	14,800	77,450	24,520	1,010	1,450	18,495	45,475	14,140	570	710	14,170	29,590
USDA														
1963	27,232	3,833	15,822	83,324	27,891	1,503	1,547	19,827	50,768	16,049	847	757	11,863	29,516
1964	30,818	7,254	14,594	83,019	31,440	1,665	1,440	20,001	54,546	18,037	928	703	12,019	31,687
1965	32,347	7,420	13,007	73,784	32,316	1,687	1,302	17,583	52,888	18,325	936	639	10,736	30,636
1966	33,727	6,647	12,737	74,011	34,085	1,563	1,303	17,906	54,857	19,493	862	639	11,130	32,124
1967	33,869	5,919	12,791	82,124	34,538	1,354	1,297	19,779	56,968	19,991	749	636	12,377	33,753
1968	35,026	5,443	11,884	85,160	35,515	1,249	1,211	20,369	58,344	20,662	696	592	12,867	34,817
1969	35,237	4,863	10,691	83,838	35,806	1,947	1,107	20,001	58,061	20,960	640	540	12,744	34,914
1970	35,025	4,072	10,552	85,817	36,260	994	1,099	20,617	58,970	21,472	558	540	13,248	35,818
1971	35,585	3,689	10,729	94,438	36,588	919	1,111	22,635	61,153	21,697	516	544	14,606	37,363
1972	35,779	3,053	10,301	84,707	37,126	767	1,081	20,249	59,223	22,218	429	533	13,460	36,640
1973	33,687	2,249	9,597	76,795	35,143	576	1,028	18,525	55,272	21,088	325	504	12,578	34,495
1974	36,811	2,987	8,847	81,762	38,247	769	928	19,974	59,918	22,844	442	454	13,583	37,323
1975	40,911	5,210	7,835	68,687	40,733	1,477	819	16,458	59,487	23,673	827	399	11,314	36,213
1976	42,655	5,350	6,714	73,784	43,442	1,428	730	17,566	63,166	25,667	813	361	12,219	39,060
1977	41,856	5,517	6,356	77,303	42,849	1,371	686	18,330	63,236	24,986	794	341	13,051	39,172
1978	39,552	4,170	5,369	77,315	40,986	1,012	601	18,555	61,154	24,010	600	300	13,209	38,119
1979	33,678	2,824	5,017	89,099	35,709	689	571	21,554	58,523	21,261	410	284	15,270	37,225
1980	33,807	2,588	5,579	96,074	36,229	633	624	23,216	60,702	21,470	379	310	16,431	38,590
1981	34,953	2,798	6,008	91,575	37,565	698	659	22,214	61,136	22,214	415	328	15,719	38,675
1982	35,843	3,021	6,449	82,190	38,128	718	715	19,932	59,493	22,366	423	356	14,121	37,266
1983	36,649	3,077	6,619	87,584	39,248	729	741	21,285	62,003	23,058	429	368	15,120	38,974
1984	37,582	3,297	6,759	85,168	40,085	805	750	20,728	62,368	23,416	479	372	14,720	38,987

Source: The 1925–42 figures are USDA estimates for the industry and are on a calendar-year basis.
The 1943–63 figures are AMI estimates based on the Census Bureau's definition of the meat packing industry, which covers a smaller number of plants than covered by the USDA's reports on total commercial slaughter. The figures are for fiscal years, November through October.
The 1963 figures-to-date are USDA estimates of commercial slaughter and are on a calendar-year basis.
[1]*Beginning in 1977 reported on packer-style carcass basis.*